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MEMORANDUM FOR: Associate Deputy Director for Intelligence

FROM: Douglas J. MacEachin
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SUBJECT: Long Range Outlook



1. To be completely frank we have taken so many initiatives in SOVA during the past 30 months, involving organization, process, and outlook and personnel standards that I envisage the next few years at least as a period of institutionalizing those things we have set in train. I will therefore be presumptuous and offer first an observation about the Directorate.

2. The DI grew by nearly 500 positions from 1982 through 1986--about a 20 percent spurt in four years. This growth took place immediately on the heels of a wholesale reorganization of the Directorate that was probably more comprehensive than anything in the previous two decades. I would bet that if you handed that information to any reputable management consultant, he or she would tell you--without setting foot in this building--that we have inefficiencies that need to be remedied. Adding to this is the fact that all this occurred immediately after a change in administrations that ushered in an entire new agenda and consumer population which had a major impact on the substantive approach to intelligence. Indeed, I think we can all take pride in the fact that the inefficiencies are as minimal as they are in the face of all of this.

3. We are now entering what promises to be a period of greater budget stringency. No matter how much we try to convince ourselves it is just a leveling off, it will feel like a pinch. Consequently, I think that the need for a hard look at resource allocation in the Directorate is imperative. And it needs to be done, I believe, before the new building is completed. (This will occur, by the way, just about the time of another turnover in the Executive Branch.) Our situation is somewhat like the problem facing the USSR and many socialist countries. They have been moving from a period when rapid growth could be achieved by large inputs of labor and material. These are no longer plentiful, however, and promoting growth in the future will depend on increasing productivity. I believe that if the Directorate is to sustain the momentum of the last few years it will need to find ways to do what it is now doing and still free resources to commit to new initiatives. I really think we need a comprehensive self-audit.

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4. As regards SOVA, the shapeup has occurred in spades. These changes have been directed at improving the substance, attitude, and approach. Considerable time is needed to institutionalize these things. So far, we seem to be moving in the right direction--at least the feedback seems to indicate it. But the wholesale changes we have made have cut badly into our depth; some people have simply been moved out because we felt they could not meet the standards we wanted, others have left because they did not want to try the approach we wanted, and there has been the natural attrition. All of this has caused us to have to move senior analysts to management positions and put a senior analyst load on more junior people sooner than we would have liked. Twenty two of 27 SOVA branch chiefs and seven of eight division chiefs are new since I arrived a little over two years ago. Last years reorganization into groups does not really account for this;

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[redacted] We also have been cleaning out the deadwood in the analyst ranks, and a number of "comfortable" GS-14's are going to become "going" or gone in the next 24 months. We have been pushing our most talented young people into the deep end of the pool. Now, to keep the momentum going, we badly need an influx of new people at the entry-level grades. Some relief is in sight, as the first three of the twelve CT's we have sponsored in the last two years report for full time duty next month. But if SOVA does not go on a recruiting binge this fall, the 1988-89 time period is going to be troublesome.

5. One last point: I have become persuaded that we must begin to relax our "cloning the renaissance person" approach to personnel policy. I still disagree violently with the approach that looks only at alledged academic expertise. But if we are to move the substantive frontiers forward we are going to have to learn better how to exploit a selected number of specialists, and those of us who are supposed to be "intelligence" specialists need to learn better how to turn the work of such people into usable intelligence.

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Douglas J. MacEachin

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